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ENTR 410-101: New Venture management

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New Jersey's Science & Technology University

ENTR 410: New Venture Management

Mondays 6:00pm – 8:50pm at Central King Building 223

Instructors: Shrutika Madda sm879@njit.edu

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Office Hours: By appointment, Mondays & Thursdays 5pm to 6pm.

Course Description

This course is intended for the student considering a leadership role in the commercialization of technological innovation. It covers the entrepreneurial process from conception to start-up, growth and harvesting of a new venture. It teaches students how to search for opportunities, gather resources to convert opportunities into a business, and lead the business through growth and harvest. This course covers entrepreneurship skills that are equally applicable in the startup domain and in the established corporate domain (i.e., intrapreneurship).

We consider a broad range of start-ups including high-growth, lifestyle, product-based, service-based, business-to-consumer, business-to-business, and social entrepreneurship. However, we will focus exclusively on start-ups that involve STEM-based innovation (STEM = Science, Technology, Engineering, and Math). The student is not required to develop a product or service, but will be required to form a hypothetical company around such a concept.

Students will work in teams on all aspects of venture creation. They will identify a new venture opportunity, create a business plan for it, and have this business plan subjected to financial simulation and review by their peers. Students will learn to use entrepreneurship tools for market research, business model validation, customer discovery, and fundraising.

Through lectures, visits to and from entrepreneurs, case studies, and peer reviews, the course simulates the experiences that entrepreneurs undergo in conceiving, launching, and operating a business. The course enables students to evaluate an entrepreneurial career for themselves, and provides aspiring entrepreneurs with a framework for selecting, funding, and starting their own ventures or departments within existing corporations.

Any student contemplating creating a new business venture is encouraged to use this course to reduce start-up risk. Similarly, any student with an existing STEM-based business is encouraged to use this course to learn techniques to grow the business (appropriate measures will be taken during peer-reviews to maintain the confidentiality). Students with STEM-based Capstone or co-curricular projects are also encouraged to use their projects in this class.

Course Outcomes

In addition to the specific course objectives, the course intends to help students develop a wide range of analytical, communication, interpersonal, and technology skills. Upon completion of the course students should have the following skills:

- Identify business opportunities and evaluate their commercial potential using research tools and entrepreneurial methodologies.
- Write, present and defend business plans and pro-forma financials that are ready for review by financiers including bankers and investors.
- Obtain the resources necessary to pursue an opportunity and to create an entrepreneurial organization.
- Assess the strengths and weaknesses of individuals in a start-up environment, including those of the student himself/herself.
- Integrate people, business structures and processes in entrepreneurship.
- Manage an entrepreneurial organization once it has been established.
- Grow a new business venture into a sustainable enterprise.
- Create and harvest value for the organization's stakeholders.

Course Structure

Business Model: Research, Writing, Presenting, and Peer Review

The principal project for the semester is the development of a complete business plan for a new business that has strong growth potential. Each student team will develop a concept for an innovative product or service, and a sustainable business model centered on this innovation. Each team will present the proposed a business model and company structure to the class for peer review. Students will learn both how to present innovation, and how to evaluate it. Each student will then evolve this concept into a complete business plan and submit it to two other students for evaluation from the point-of-view of investors or lenders.

Activities and Resources at the NJIT Van Houten Library

Students must become proficient in the use of research tools in order to develop their business model. The NJIT Van Houten Library offers these tools (<http://library.njit.edu/resources.php>) and Director of Reference Dr. Davida Scharf (<http://library.njit.edu/staff/scharf/>) is available to assist in the use of these resources. Students are *strongly* encouraged to seek the assistance of Dr. Scharf particularly when researching the size and competitive landscape of their company's primary market. She can be reached at scharf@njit.edu, and any of the librarians can be reached [via chat, email, or in person](#).

Dr. Sharf has prepared a [Business Research Guide](#) that is useful to the students in this course. She also makes available a [Tutorials Guide](#) and many [Research Guides](#) that are relevant to this course. Particularly important are the research guides on [citing your sources](#) and on [making oral presentations](#).

Activities at the VentureLink

In this course, students will uniquely benefit from access to the on-campus VentureLink (<http://venturelink.njit.edu/>), one of the largest small business incubators in the region, to see entrepreneurial strategies at work. Students are encouraged to attend special entrepreneurial events and workshops hosted at VentureLink <https://venturelink.njit.edu/events/>.

Textbook

Entrepreneurship, 4th Edition; William Bygrave & Andrew Zacharakis; Wiley & Sons, Dec 2016; ISBN: 978-1-119-29880-9 (paper), ISBN: 978-1-119-29882-3 (electronic)

This course uses the business plan guidelines of the Small Business Administration (during the Obama/[Contreras-Sweet](#) administration):

<https://web.archive.org/web/20170211022242/https://www.sba.gov/starting-business/write-your-business-plan>

Prerequisites

Knowledge

Students are required to have conducted market research, generated pro-forma financial statements, and implemented financial and statistical functions in Microsoft Excel.

Courses

MGMT-390, MRKT-330, and FIN-315 (may be waived with proof of the prerequisite knowledge).

Activity Calendar

Assignments must be uploaded to the corresponding discussion or assignment on the course's Canvas page. See the Canvas assignment calendar for the most up-to-date deadlines.

Class	Agenda	Reading Assignment Due	Written Assignment Due
Sept 9	Lecture: Introduction to the Entrepreneurial Processes		
Sept 16	Activity: present to the class the canvas of your start-up	Business model canvas instructions. B&Z ⁽¹⁾ Chapters 2, 3 and 4, http://researchguides.njit.edu/oralpresentations	Business Model Canvas ⁽³⁾
Sept 23	Activity: Form teams; "Where to Play" strategic planning, Market research (bring your laptop)	https://goo.gl/JGivJ1 SBA web page on market analysis ⁽²⁾	Review someone else's canvas (for each canvas block, write a short analysis). ⁽³⁾
Sept 30	Activity: Marketing; Adwords campaign (bring your laptop)	http://researchguides.njit.edu/citations	Business plan section: Market Analysis ⁽⁴⁾
Oct 7	Lecture: Entrepreneurial Marketing	B&Z Chapter 5	Business plan section: Marketing & Sales ⁽⁴⁾
Oct 14	Lecture: Structuring a Business and Team	B&Z Chapters 6 and 7	Select and review a sample business plan (12 paragraphs, one per criteria) ⁽³⁾
Oct 21	Activity: Pro-Forma Financials (bring your laptop with Excel)	B&Z Chapter 8, Financials Spreadsheet	Business plan sections: Company Description, Service or Product Line, Organization & Management. ⁽⁴⁾
Oct 28	Activity: Pro-Forma Financials (bring your laptop with Excel)		Financials: Required Start-up Funds, Salaries & Wages, Fixed Operating Expenses ⁽⁴⁾
Nov 4	Lecture: Bootstrapping, Harvesting, and Valuation	B&Z Chapters 9 and 10;	Financials: Sales Forecast ⁽⁴⁾
Nov 11	Lecture: Intellectual Property and the SBIR Program	B&Z Chapter 13	First draft of business plan. ⁽⁴⁾ NO LATE DRAFTS ACCEPTED
Nov 18	Lecture: Financial and Legal Administration.	B&Z Chapters 11 and 12	Written review of peer business plan (one paragraph per each of 12-point criteria) ⁽³⁾
Nov 25	Lecture: Growth; the SECI model	Peer business plan, B&Z Chapter 14	Mind Maps ⁽³⁾
Dec 2	Lecture: Social Entrepreneurship and tour of VentureLink	B&Z Chapter 15, https://venturelink.njit.edu http://www.nbia.org/	
Dec 9	Activity: Final presentations		Final presentation. ⁽⁴⁾ Upload to Moodle and present in class.
Dec 16	Activity: Make-up day for final presentations.		Final business plan. ⁽⁴⁾ Comprehensive quiz due. ⁽³⁾

(1) Textbook is referred to as "B&Z"

(2) <https://web.archive.org/web/20170202075555/https://www.sba.gov/starting-business/write-your-business-plan/market-analysis>

(3) Individual assignment. Each student is responsible for posting her/his individual work.

(4) Team assignment. Each team posts in the its thread in the Team Discussion.

Grading, Scale, and Type of Assignment

1. Biz Model Canvas	5%	Individual
2. Peer Canvas Review	5%	Individual
3. Sample Biz Plan Review	10%	Individual
4. Pro-Forma Financials	15%	Team
5. Peer Biz Plan Review	10%	Individual
6. Business Plan	25%	Team
7. Final Presentation	5%	Team
8. Comprehensive quiz	10%	Individual
9. Class/team participation	10%	Individual
10. Mind Maps	5%	Individual
11. Valuation	2.5%	Individual (extra credit)

The grade on a team assignment is shared among the team members so long as all the members contributed fairly. Because peer review is a key part of this course, late written assignments cannot be accepted.

Grade	Score
A	$90\% \leq \text{weighted sum}$
B+	$85\% \leq \text{weighted sum} < 90\%$
B	$80\% \leq \text{weighted sum} < 85\%$
C+	$75\% \leq \text{weighted sum} < 80\%$
C	$70\% \leq \text{weighted sum} < 75\%$
D	$60\% \leq \text{weighted sum} < 70\%$
F	$\text{weighted sum} < 60\%$

Academic Integrity and Honesty

Integrity and honesty are of paramount importance in this course, and in the careers it supports. We will adhere to the NJIT Honor Code

<http://www.njit.edu/academics/pdf/academic-integrity-code.pdf>.

A link to TurnItIn is provided in Canvas with which students can test the authenticity of their business plan drafts. The test generates a plagiarism report. Students are strongly encouraged to revise any draft that is over 25% copied in order to make it original. The submission of a final business plan that is more than 25% copied requires prior approval of the instructor and an explanation as to why so much of it is copied. Any student submitting a final business plan that is more than 40% copied, regardless of references, receives an automatic F in the course.